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NOTIFICATION

No. LA. 4-383/'58. *Dated, Trivandrum, 3rd March 1958*

The following Bill together with the Statement of Objects and Reasons is published as ordered by the Speaker under Rule 73 of the Rules of Procedure and Conduct of Business in the Assembly.

Legislature Secretariat,
Trivandrum.

V. KRISHNAMOORTHI,
Secretary, Legislative Assembly.

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THE GENERAL SALES TAX (AMENDMENT) BILL, 1958.

A
BILL

to amend the General Sales Tax Act, 1125.

Preamble.—WHEREAS it is necessary to amend the General Sales Tax Act, 1125 (Act XI of 1125), for the purposes hereinafter appearing;

BE it enacted in the Ninth Year of the Republic of India as follows:—

1. *Short title and commencement.*—(1) This Act may be called the General Sales Tax (Amendment) Act, 1958.

(2) This section and section 2 shall be deemed to have come into force on the 1st day of April, 1957, sections 3 and 6 shall come into force at once and sections 4 and 5 shall come into force on such date or dates as the Government may, by notification in the Gazette, appoint.

2. *Amendment of section 2-A, Act XI of 1125.*—In section 2-A of the General Sales Tax Act, 1125 (Act XI of 1125), hereinafter referred to as the principal Act, in subsection (1), for the words "one shall be a judicial officer not below the rank of Additional District Judge" the words "one shall be a person who is or has been a judicial officer not below the rank of District Judge" shall be substituted.

3. *Amendment of section 5-A, Act XI of 1125.*—After subsection (1) of section 5-A of the principal Act, the following subsection shall be inserted, namely:—

"(1-A). A dealer shall be liable to pay tax on the turnover of the stock of the goods mentioned in subsection (1) which were in his possession, custody or control immediately before the 14th day of December, 1957, at the point or points and at the rate applicable immediately before the said date".

4. *Substitution of new sections for section 16.*—For section 16 of the principal Act, the following sections shall be substituted, namely:—

"16. *Maintenance of true and correct accounts and records by dealers, etc.*—Every person licensed or registered under this Act, every dealer liable to get himself registered under this Act, and every other dealer who is required so to do by the prescribed authority by notice served in the prescribed manner, shall keep and maintain a true and correct account in Malayalam, Tamil, Kannada, Gujarathi, or English relating to his business, showing such particulars as may be prescribed.

16 A. *Submission of certain records by owners, etc., of boats*.—The owner or other person in charge of a boat shall submit to the Inspecting Assistant Commissioner of Sales Tax having jurisdiction over the area in which the boat is registered under the Travancore Public Canals and Public Ferries Act of 1096, the Cochin Public Canals and Backwaters Navigation Act, I of 1092, or the Madras Canals and Public Ferries Act, 1890, as in force in the Malabar district referred to in subsection (2) of section 5 of the States Reorganisation Act, 1956, copies of the log book with such further particulars, if any, and within such time, as may be prescribed.

EXPLANATION.—"Log book" in this section means a register, statement or other record containing particulars of the goods transported.

16 B. *Submission of certain records by owners, etc., of goods vehicles*.—The owner or other person in charge of a goods vehicle shall submit to the Inspecting Assistant Commissioner of Sales Tax having jurisdiction over the area in which the vehicle is registered under the Motor Vehicles Act, 1939 (Central Act IV of 1939), copies of the Goods Vehicle Record or Trip Sheet with such further particulars, and within such time, as may be prescribed.

16 C. *Establishment of check post or barrier and inspection of goods while in transit*.—(1) If the Government consider it necessary that with a view to prevent or check evasion of tax under this Act in any place or places in the State, it is necessary so to do, they may, by notification in the Gazette, direct the establishment of a check post or the erection of a barrier, or both, at such place or places as may be notified.

(2) At every check post or barrier or at any other place when so required by any officer empowered by the Government in this behalf, the driver or any other person in charge of a goods vehicle or boat shall stop the vehicle or boat, as the case may be, and keep it stationary as long as may be required by the officer in charge of the check post or barrier or the officer empowered as aforesaid, as the case may be, and allow the officer in charge of the check post or barrier, or the officer empowered as aforesaid, to examine the contents in the vehicle or boat and inspect all records relating to the goods carried, which are in the possession of such driver or other person in charge, who shall, if so required, give his name and address and the name and address of the owner of the vehicle or boat.

(3) The Officer in charge of the check post or barrier, or the officer empowered as aforesaid shall have power to seize and confiscate any goods which are under transport by a goods vehicle or a boat and are not covered by a delivery note, a Goods Vehicle Record, a Trip Sheet, or a log book, as the case may be, or by a bill of sale where one is required to be issued :

Provided that before taking action for the confiscation of goods under this sub-section, the officer shall give the person affected an opportunity of being heard and make an inquiry in the manner prescribed.

5. *Amendment of Schedule I, Act XI of 1125.*—In Schedule I in the principal Act,—

(1) for items 6, 7 and 8 the following items shall be substituted, namely:—

"6. Motor Vehicles including chassis of motor vehicles, motor tyres and tubes and spare parts of motor vehicles including batteries.
Motor cycles and cycle combinations, motor scooters, motorettes and tyres, tubes and spare parts of motor cycles, motor scooters and motorettes. — 7

7. Refrigerators and air conditioning plants and component parts there of. — 7

8. Gramophones and component parts thereof and records. — 7";

(ii) for item 15, the following item shall be substituted, namely :—

"15. All clocks, time pieces and watches and parts thereof. — 7";

(iii) for items 17 and 18, the following items shall be substituted, namely :—

"17. (a) Wireless receiption instruments and apparatus, radios and radio gramophones, electrical valves, accumulators, amplifiers and loud speakers and spare parts and accessories thereof
(b) Sound transmitting equipments including telepbones and loud speakers and spare parts thereof — 7

18. (a) Cinematographic equipments including cameras, projectors and sound recording and reproducing equipments, lenses, films and parts and accessories required for use therewith

(b) Photograpbic and other cameras and enlargers, lenses, films and plates, paper and cloth and other parts and accessories required for use therewith.

(c) Binoculars, telescopes and opera glasses. — 7"

(iv) after item 40, the following items shall be inserted, namely :—

"41.	Iron and steel safes and almirahs.	7
42.	All arms including rifles, revolvers, pistols and ammunition for the same.	7
43.	Cigarette cases and lighters.	7
44.	Dictaphone and other similar apparatus for recording sound and spare parts thereof.	7
45.	Typewriters, tabulating machines, calculating machines and duplicating machines and parts thereof.	7"

6. *Repeal.*—The General Sales Tax (Amendment) Ordinance, 1958 (No. 1 of 1958), is hereby repealed.

STATEMENT OF OBJECTS AND REASONS.

The General Sales Tax (Amendment) Act, 1957 (Act 7 of 1958) exempts the sale by any dealer of mill-made textiles (other than pure silk), tobacco and sugar with effect from 14th December, 1957. This exemption does not apply to the stock of the above goods in the possession, control or custody of the dealer immediately before the 14th of December and such goods are liable to tax. Doubts have been raised as to whether such stock of goods are liable to tax at the same points and at the same rates as they were liable immediately before that date or whether they were liable to tax at the multi-point system. The intension was that they should be liable to tax at the same rate and at the same points as they were liable immediately before 14th December 1957. It was considered necessary that this point should be made clear.

2. Sub-section (1) of section 2A of the General Sales Tax Act, 1125, provides that one member of the Appellate Tribunal shall be a judicial officer not below the rank of Additional District Judge. It was considered necessary to amend this provision to the effect that one member should be a person who is or has been a judicial officer not below the rank of District Judge as in the case of the Appellate Tribunal under the Agricultural Income Tax Act, 1950.

3. To give effect to the above objects, the General Sales Tax (Amendment) Ordinance, 1958 (Ordinance No. 1 of 1958) was promulgated by the Governor.

4. The rates of sales tax obtaining at present on luxury goods vary from State to State. This variation leads to evasion of sales tax by purchase from neighbouring States where the rate is lower There is also a tendency for shifting of business from one State to another. With a view to overcome these difficulties the National Development Council agreed to a system of uniform levy of sales tax on luxury goods. The subject was

further considered in the Conference of Finance Ministers convened by the Government of India on 18th November 1957 where it was unanimously agreed that a uniform rate of tax at 7 per cent on a single point system be levied on a certain items of luxury goods in all States permitting, however, those States which are already levying a higher rate to continue the same. It is also considered necessary to provide for the maintenance of true and correct accounts by dealers in the prescribed manner, for submission of certain records by the owners of boats and goods vehicles and the establishment of check posts to facilitate inspection of goods in transit.

The Bill is intended to replace the Ordinance mentioned above and also to achieve the above proposals.

C. ACHUTHA MENON.